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C O N F I D E N T I A L SEOUL 000632

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SUBJECT: RADICAL UNION CONTINUES STRUGGLE AGAINST
GOVERNMENT, BUSINESS

REF: SEOUL 000415

Classified By: POL Joseph Y. Yun. Reasons 1.4 (b,d).

11. (C) SUMMARY: On April 9, poloff met with representatives of the Korean Confederation of Trade Unions (KCTU), the more radical of Korea's two umbrella trade organizations, which recently changed leadership because of a sex scandal and suffered the defection of a number of its affiliated unions. The newly-elected president, Lim Sung-kyu, also joined the meeting, an unusual move for an organization that has expressed sometimes violent opposition to the KORUS FTA and other U.S. policies. Lim claimed that many foreigners had a distorted perception of the Korean labor movement because of government and business propaganda. In fact, Lim said, KCTU wanted to build stable labor-government relations. KCTU representatives said they opposed the social contract that some unions had signed with the government to respond to the current economic crisis because they did not think the employers' obligations were adequately stipulated and they did not trust businesses to act in good conscience. KCTU representatives also discussed their efforts to press the government to create more jobs, strengthen social support systems for the working poor, and convert "irregular" workers, who work on a contract basis with few benefits, to regular employees. END SUMMARY.

Background

12. (C) KCTU's president and five other executive committee members resigned en masse in February to take responsibility for a sex scandal that badly damaged the union's reputation. One of the former president's close associates attempted to sexually assault a fellow female union member and some in the executive committee were accused of engaging in a cover-up. The scandal came to light when an in-house investigative panel admitted the cover-up. The new leadership has vowed to revive the union's image, but on April 10 more affiliated unions voted to disassociate from KCTU, citing the organization's emphasis on protest over negotiations. The departing unions only represent about 7,000 of KCTU's 680,000 members; currently, the largest affiliated unions are the teachers' union and the metalworkers' unions.

New President Opened With Foreign Policy

13. (C) Reflective of organized labor's long-standing pro-engagement attitudes toward the North, newly-elected KCTU President Lim Sung-kyu started the discussion with a critique of U.S. policy towards Pyongyang. Lim said that all Koreans want to reunite with the North. The former U.S. Administration's policies were at odds with this goal, he said; Lim expressed his hope that the new administration would have policies that were conducive to building a peace regime on the peninsula.

14. (C) Lim also said that U.S. policy was critical to recover from the economic crisis. He said that Washington needed to be sure to keep an eye on human rights and labor issues in Korea. If there were problems in these areas, Lim predicted, anti-Americanism could increase. Lim said President Lee Myung-bak would not listen to workers' demands, so the union would have to take action. To be successful in bringing Korea's labor environment in line with international standards, pressure from the international community was essential.

On Labor

15. (C) In a separate meeting, KCTU International Director Lee Chang-geun outlined the organization's stance on the current economic situation. KCTU opposed the social contract that rival umbrella group, the Federation of Korean Trade Unions (FKTU), (reftel) agreed to with business groups and the government. Lee said that the burden on the workers was

very clearly defined, but the responsibilities of businesses were ambiguous. Lee said businesses could not be trusted to act in good faith. Additionally, the procedure for negotiating the social contract was undemocratic; for example, KCTU was not included.

16. (C) Lee also outlined KCTU's priorities for the Korean government. The organization had been urging the government to counter the economic crisis by expanding the budget to create new, "good" jobs, particularly in public and social services like child and elder care. Additionally, Lee said, the ROKG should strengthen the social safety net. Unemployment and health care insurance needed to be improved, especially for the working poor.

17. (C) Lee discussed the topic of "irregular" workers, which he insisted on calling "precarious" workers in English, although he used the same Korean word. The main problem of the government's plan to lengthen from two to four years the time such workers can be employed before they have to be converted to permanent employees was that it was a temporary solution. The time limit was currently the only limitation on how these workers could be used and prolonging that would only allow employers to use them more frequently. Instead, limitations on the use of irregular workers should be increased and stipulated in the law. The government also should reduce the pay gap between regular and irregular workers, Lee said, and allow the latter to unionize.

18. (SBU) Toward the end of the meeting Lee also noted his opposition to the KORUS FTA -- a long-standing KCTU position -- and inquired about prospects for ratification in the U.S.

Comment

19. (C) KCTU interlocutors were civil but clear in their opposition to U.S. policies. President Lim Sung-kyu's willingness to talk to the Embassy -- and his invitation to meet with the Ambassador -- could reflect some change in the often militant union. In an economic environment in which job preservation -- not wage increases -- are the primary goal, FKUTU's decision to enter into its social contract with business and the government stands in stark contrast to

KCTU's continued calls for struggle. KCTU is likely to face additional attrition as the economic crisis deepens, but its biggest unions are also the most radical -- the teachers, truckers, and metalworkers -- and constrain the union's ability to move to a more centrist policy.

STEPHENS